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8 Attorneys for Secured Creditor,
HILLAIR CAPITAL MANAGEMENT, LLC
9

10 **UNITED STATES BANKRUPTCY COURT**
11 **CENTRAL DISTRICT OF CALIFORNIA**
12 **LOS ANGELES DIVISION**

13 In re
14 SCOOBEEZ, et al.¹
15 Debtors and Debtors in Possession.

CASE NO. 2:19-bk-14989-WB
Jointly Administered:
2:19-bk-14991-WB; 2:19-bk-14997-WB

Chapter 11

16 Affects:

- 17 ☒ All Debtors
18 ☐ Scoobeez, ONLY
19 ☐ Scoobeez Global, Inc., ONLY
20 ☐ Scoobur, LLC, ONLY
21

**NOTICE OF EMERGENCY MOTION AND
EMERGENCY MOTION PURSUANT TO
LOCAL RULE 9075-1 TO FILE
DOCUMENTS UNDER SEAL**

22 Date:
Time:
23 Dept.: 1375
United States Bankruptcy Court
Edward Roybal Federal Building
255 E. Temple Street
Los Angeles, CA 90012

The Hon. Julia Brand

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25
26 ¹ The Debtors and the last four digits of their respective federal taxpayer identification
27 numbers are as follows: Scoobeez (6339); Scoobeez Global, Inc. (9779); and Scoobur, LLC
28 (0343). The Debtors' address is 3463 Foothill Boulevard, Glendale, California 91214.

1 **PLEASE TAKE NOTICE** that senior secured creditor Hillair Capital Management, LLC
2 (“Hillair”) will move the Court for an order permitting it to file under seal pursuant to L.B.R.
3 5003-2(c) and the Protective Order entered in the above-captioned action on December 23, 2019,
4 Hillair’s *Supplemental Opposition to Amazon’s Motion for an Order: (A) Determining that the*
5 *Automatic Stay Does Not Require Amazon to Utilize Debtors’ Services, and (b) Modifying the*
6 *Automatic Stay* (the “Supplemental Opposition”), and accompanying documents.

7 **PLEASE TAKE FURTHER NOTICE** that this Motion is made pursuant to 11 U.S.C. §
8 107 (“Bankruptcy Code”), Federal Rules of Bankruptcy Procedure (“Bankruptcy Rules”) 9018 and
9 9037, and Local Bankruptcy Rules (“Local Rules”) 5003-2(c)(1) and 9075-1, which authorize the
10 issuance of court orders protecting confidential information, permit the filing of non-public
11 information under seal, and hearing matters on an emergency basis.

12 **PLEASE TAKE FURTHER NOTICE** that this Motion is based on the accompanying
13 Memorandum of Points and Authorities, the attached Declaration of Jennifer Nassiri (the
14 “Declaration”), all pleadings, papers, and records on file with the Court, and such other evidence
15 as may be presented to the Court in connection with this Motion.

16 **PLEASE TAKE FURTHER NOTICE** that pursuant to Local Bankruptcy Rule 9075-
17 1(a)(8), any response to this Motion may be presented at the time of hearing, if the Court
18 determines that a hearing is necessary.

19
20 DATED: February 19, 2020

QUINN EMANUEL URQUHART &
SULLIVAN, LLP



21
22
23 By _____

John B. Quinn
Crystal Nix-Hines
Eric D. Winston
Jennifer L. Nassiri

24
25
26 *Attorneys for Secured Creditor Hillair Capital*
27 *Management, LLC*
28

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION AND NECESSITY FOR EMERGENCY RELIEF

Hillair requests an order authorizing it to file under seal Hillair’s Supplemental Opposition, the Declaration of Jennifer Nassiri (the “Declaration”), and accompanying exhibits.

On October 28, 2019, Amazon Logistics, Inc. (“Amazon”) filed its *Motion for an Order: (A) Determining that the Stay Does not Require Amazon to Utilize Debtor’s Services and (B) Modifying the Automatic Stay* [Dkt. No. 393] (the “Stay Relief Motion”), seeking this Court’s permission to terminate its contract with the Debtor. On November 11, 2019, after Hillair, the Debtors and the Committee filed their initial oppositions to the Stay Relief Motion, Amazon filed an omnibus reply in support of the Stay Relief Motion (the “Stay Relief Reply”) [Dkt. No.430]. On December 23, 2019, Amazon filed its *Protective Order re: Amazon Logistics, Inc.’s Motion for Relief from Stay* (the “Protective Order”) [Dkt. No. 518], designating disclosure or discovery material designated as either “CONFIDENTIAL” or “ATTORNEYS EYES ONLY” as protected material (the “Protected Material”).

Hillair now seeks to seal those portions of its Supplemental Opposition, Declaration, and accompanying exhibits, which similarly quote, paraphrase, or otherwise reveal information about Protected Material.

Emergency Relief is necessary because the Protective Order requires Hillair to “seek an order permitting it to file the Protected Material under seal, but may note for the Court that the Party filing such Protected Material does not qualify to be filed under seal, and the Designating Party may file its own motion requesting that the Protected Material be filed under seal.” Protective Order ¶ 11.3. Hillair’s Supplemental Opposition is due on February 19, 2020, which is today.

The Court may authorize the filing under seal under 11 U.S.C. § 107(c), and it is appropriate to do so in this case.² The Supplemental Opposition, Declaration, and accompanying

² For avoidance of doubt, Hillair takes no position on whether Amazon properly designated materials as “Confidential” or “Attorneys’ Eyes Only” but believes it is obligated to seek to seal pursuant to the Protective Order.

1 exhibits expressly reference Protected Material, which the Protective Order directs Hillair to file
2 under seal.

3 Further, no other party will be prejudiced. In fact, both Amazon and the Debtors have
4 already represented they have no objection to filing the Supplemental Opposition under seal.
5 Decl. of Jennifer Nassiri, at ¶ 3.

6 For these reasons, Hillair requests that the Court grant the Motion on an emergency basis.

7 **II. LEGAL STANDARD**

8 When evaluating sealing motions, the Ninth Circuit has explained that “[u]nless a
9 particular court record is one ‘traditionally kept secret,’ [there is] a ‘strong presumption in favor of
10 access,’” to court records, and “[a] party seeking to seal a judicial record [] bears the burden of
11 overcoming this strong presumption by meeting the ‘compelling reasons’ standard.” *Kamakana v.*
12 *City & Cty. of Honolulu*, 447 F.3d 1172, 1178 (9th Cir. 2006). However, the standard for sealing
13 discovery material under Rule 26(c) is “good cause” and not the “compelling reasons” standard, a
14 distinction that respects the “different interests [that] are at stake.” *In re Apply 2 Save, Inc.*, 2011
15 WL 1363771, at *2 (Bankr. D. Idaho Apr. 11, 2011) (citing *Kamakana*, 447 F.3d at 1178–79).
16 The sealing request must “be narrowly tailored to seek sealing only of sealable material.” Civil
17 L.R. 79-5(b).

18 Further, Local Bankruptcy Rule 5003-2(c)(1) requires that “[i]f filing under seal is
19 requested, a written motion and proposed order must be presented to the judge along with the
20 paper submitted for filing under seal.” LBR 5003-2(c)(1).

21 **III. THE COURT SHOULD SEAL THE IDENTIFIED PORTIONS OF HILLAIR’S**
22 **SUPPLEMENTAL OPPOSITION**

23 The Court should seal Hillair’s Supplemental Opposition, Declaration, and accompanying
24 exhibits because they refer to Protected Material under the Protective Order. Good cause exists to
25 seal the portions of the Supplemental Opposition and Hillair believes it is obligated to seal these
26 materials. Further, Hillair has narrowly tailored this request to cover just those portions of the
27 documents that explicitly disclose Protected Material under the Protective Order. Lastly, both
28

1 Amazon and the Debtors have represented that they have no objection to Hillair filing its
2 Supplemental Opposition under seal.

3 **IV. CONCLUSION**

4 For the foregoing reasons, Hillair requests that the Court enter an order authorizing it to
5 file under seal the Supplemental Opposition and any accompanying exhibits containing Protected
6 Material.

7
8
9 DATED: February 19, 2020

QUINN EMANUEL URQUHART &
SULLIVAN, LLP

10
11
12 By 

John B. Quinn
Crystal Nix-Hines
Eric D. Winston
Jennifer L. Nassiri

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15 *Attorneys for Secured Creditor Hillair Capital*
16 *Management, LLC*
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14 SCOOBEEZ, et al.¹

15 Debtors and Debtors in Possession.

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18 ☐ Scoobeez, ONLY
19 ☐ Scoobeez Global, Inc., ONLY
20 ☐ Scoobur, LLC, ONLY

CASE NO. 2:19-bk-14989-WB
Jointly Administered:
2:19-bk-14991-WB; 2:19-bk-14997-WB

Chapter 11

**DECLARATION OF JENNIFER NASSIRI
IN SUPPORT OF HILLAIR CAPITAL
MANAGEMENT'S NOTICE OF
EMERGENCY MOTION AND
EMERGENCY MOTION PURSUANT TO
LOCAL RULE 9075-1 TO FILE
DOCUMENTS UNDER SEAL**

Date:
Time:
21 Dept.: 1375
United States Bankruptcy Court
22 Edward Roybal Federal Building
23 255 E. Temple Street
Los Angeles, CA 90012

24 The Hon. Julia Brand

25
26 ¹ The Debtors and the last four digits of their respective federal taxpayer identification
27 numbers are as follows: Scoobeez (6339); Scoobeez Global, Inc. (9779); and Scoobur, LLC
28 (0343). The Debtors' address is 3463 Foothill Boulevard, Glendale, California 91214.

DECLARATION OF JENNIFER NASSIRI

1
2 1. I am a member of the bar of the State of California and admitted to practice before
3 the Court. I am an of counsel at Quinn Emanuel Urquhart & Sullivan, LLP, counsel for senior
4 secured creditor Hillair Capital Management, LLC (“Hillair”). Except as otherwise stated, I have
5 personal firsthand knowledge of the matters set forth in this Declaration, and if called as a witness,
6 I would testify competently to those matters.²

7 2. On December 23, 2019, Amazon filed its *Protective Order re: Amazon Logistics,*
8 *Inc.’s Motion for Relief from Stay* (the “Protective Order”) [Dkt. No. 518], designating disclosure
9 or discovery material designated as either “CONFIDENTIAL” or “ATTORNEYS EYES ONLY”
10 as protected material (the “Protected Material”). The Protective Order requires Hillair to “seek an
11 order permitting it to file the Protected Material under seal, but may note for the Court that the
12 Party filing such Protected Material does not qualify to be filed under seal, and the Designating
13 Party may file its own motion requesting that the Protected Material be filed under seal.”

14 3. On February 18, 2020, I confirmed with both Amazon and the Debtors that they
15 have no objection to Hillair filing its Supplemental Opposition, accompanying Declaration, and
16 accompanying documents under seal.

17 4. Emergency relief is necessary because Hillair’s Supplemental Opposition is due on
18 February 19, 2020, which is today.


19 5. The Court may authorize filing under seal under 11 U.S.C. § 107(c). For the
20 reasons stated in the Emergency Motion, it is appropriate to do so in this case.

21
22 I declare under penalty of perjury under the laws of the United States of America that the
23 foregoing is true and correct. Executed this 19th day of February, 2020, at Los Angeles,
24 California.

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27 ² All terms not defined herein have the same meaning as in the *Emergency Motion Pursuant*
28 *to Local Rule 9075-1 to File Documents Under Seal.*

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DATED: February 19, 2020

By 
Jennifer L. Nassiri

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
Quinn Emanuel Urquhart & Sullivan, LLP, 865 S. Figueroa Street, Floor 10, Los Angeles, CA 90017

A true and correct copy of the foregoing document entitled (*specify*):
NOTICE OF EMERGENCY MOTION AND EMERGENCY MOTION PURSUANT TO LOCAL RULE 9075-1 TO FILE
DOCUMENTS UNDER SEAL AND DECLARATION OF JENNIFER NASSIRI IN SUPPORT OF THE EMERGENCY
MOTION

will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) 02/19/2020, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On (*date*) _____, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) 02/20/2020, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

The Honorable Julia W. Brand
Edward R. Roybal Federal Building and Courthouse
255 E. Temple Street, Suite 1382
Los Angeles, CA 90012

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

02/19/2020 Jennifer L. Nassiri
Date Printed Name

/s/ Jennifer Nassiri
Signature

1. To Be Served By The Court Via Notice Of Electronic Filing (NEF)

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United States Trustee (LA) ustpreion16.la.ecf@usdoj.gov

Vivian Ho on behalf of Creditor FRANCHISE TAX BOARD
BKClaimConfirmation@ftb.ca.gov

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